

WASHINGTON, DC – As Tax Day (April 15) looms over millions of Marylanders, Congressman Steny H. Hoyer (MD-05) released a [new report today](#) that shows how Republican tax policies have shifted the tax burden to middle-class families, caused even greater complexity and unfairness in the tax code, and exploded the national debt.

“When it comes to making the tax code more fair for middle-class Americans, Republicans in Washington have said one thing and done another,” said Hoyer.

“Recent Republican tax cuts have largely benefited corporations and the wealthiest few, while shifting a greater share of the tax burden on the middle class. Democrats are fighting to reform our tax laws so that they are simpler and fairer for middle-class Americans, and more responsible to our children.

“Furthermore, the Republican leadership’s pursuit of repealing the estate tax, which the House of Representatives is considering today, places an additional unfair burden on Maryland farmers and small businesses – another example of a so-called Republican “fix” that actually creates more complexity for these sectors. In fact, the USDA stated that more family farms would actually be disadvantaged by a complete repeal of the estate tax and will actually face tax increases by this repeal,” Hoyer added.

The report released by Congressman Hoyer today highlights five results of Republican tax policies: greater unfairness, exploding national debt, increased complexity, expanding the reach of the Alternative Minimum Tax (AMT) to ensnare the middle-class, and an estate tax bill that hurts farmers and small businesses more than it helps them.

The tax code’s complexity and unfairness has a real effect on the average American family. According to the Congressional Budget Office, it is middle-income households, rather than the richest households, that now pay a higher share of federal taxes following the 2001 Republican tax cuts.

In addition, four common forms – Form 1040 and Schedules A (Itemized Deductions), B (Interest and Ordinary Dividends) and D (Capital Gains and Losses) – take an estimated 28 hours, 30 minutes to prepare, according to the IRS. In 1988, the paperwork burden for these forms was 17 hours, 7 minutes. Even the simplest form in the IRS inventory, the 1040EZ,

requires 3 hours, 43 minutes to prepare, up from 1 hour, 31 minutes in 1988.

The national debt has exploded, with Republicans raising the debt limit an unprecedented three times in three years (\$450 billion in 2002, \$984 billion in 2003, \$800 billion in 2004) to \$8.184 trillion. From George Washington to Ronald Reagan the country's debt limit only reached \$985 billion. This increase in debt means higher taxes in the future and decreased investment in important priorities such as national security, health care and education.

The Alternative Minimum Tax, originally designed to ensure the wealthy paid their fair share of taxes, is increasingly ensnaring the middle-class as a result of Republican policies. An estimated 3 million taxpayers will be subject to the AMT in 2004 – without reform that will explode to 35 million in 2010.

Polls show that Americans agree with Democrats that the tax code needs reform. A recent Associated Press/Ipsos poll (4/4-4/6/05) shows that 70% of Americans think the federal tax system is too complicated.

The report was prepared by Democrats on the Ways and Means Committee, which is the committee responsible for tax policy in the U.S. House of Representatives.

###